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CURRENT SERVICE RECORDS

Letter No. 2272

July 24, 1986

HELP FOR  
DROUGHT  
AREAS

Sec'y of Agriculture Richard Lyng announced the mobilization of USDA resources to assist drought-stricken farmers in the Southeast. Said Lyng, "USDA waits until we have a request from the governor of an afflicted state to designate counties as a disaster area. Then we can provide emergency assistance." He named Jim Boillot, dep. asst. sec'y, to coordinate a department-wide drought task force charged with implementing a series of USDA actions, including a toll-free hotline 800-433-0703 to handle drought-related problems and assistance.

HARVEST IN  
USSR

The harvest of small grains and pulses in the Soviet is progressing at a good pace, reports the U.S. Department of Agriculture. As of July 14, small grains and pulses had been cut on an area of 16½ million hectares (40 million acres) of which 12.5 million had been threshed. These figures are well ahead of those of a comparable date in 1985, when the season was about two weeks later than normal. They are slightly larger than the figures for the 1984 harvest but significantly smaller than in 1983.

SOVIET GRAIN  
AREA

The preliminary area of the 1986 Soviet grain crop is 118 million hectares (296 million acres), according to the mid-year plan fulfillment report published in the Soviet central press on July 20. The U.S. Department of Agriculture is currently estimating the 1986 grain area to be about the same. For the 1985 crop, the preliminary area figure was nearly 119½ million hectares (298 million acres), and the final figure was just short of 118 million hectares.

SOVIET GRAIN  
PROBLEMS

The Soviets have reported on grain harvest problems, according to the U.S. Department of Agriculture. The problems in the 1986 Soviet winter wheat harvest include discoloration, reduced hardness and low test weights caused by weather peculiarities. As a result, grading standards were lowered, according to a Soviet newspaper report.

PRICES BOOSTING  
EXPORT SALES

Sales for the new marketing year beginning in August and September are up substantially because new, lower U.S. prices for feed grains and cotton will take effect then, according to the U.S. Department of Agriculture. Futures markets indicate that by Sept. corn may drop about 80 cents a bushel from the June average. Also, cotton futures prices are more than 30 cents a pound below current cash prices. The 1986/87 wheat marketing year has already begun, and wheat sales have risen, but most of the increase is due to the Export Enhancement Program. Feed grain exports during 1986/87 are forecast to rise nearly 30 pct. from a year earlier, and cotton exports may triple. U.S. wheat exports, which face stiff competition, are expected to climb about 20 pct.

GRAIN  
AFLOAT

Sec'y of Agriculture Richard Lyng announced the U.S. Department of Agriculture will use barges as temporary storage for grain stocks. The Commodity Credit Corporation will consider competitive offers for the use of up to 1,000 barges along the inland waterway system. According to Lyng, "Our primary interest...is to help relieve the potential tightness in storage space in the corn belt." One thousand barges will handle about 50 million bushels of corn. The USDA will announce procedures whereby the CCC will consider competitive offers for the use of barges.

SOYBEANS -  
SUPPLY & DEMAND

U.S. soybean production in 1986 will likely approach 1 billion 9 hundred million bushels, a substantial decline from 1985's nearly 2 billion 1 hundred million. According to the U.S. Department of Agriculture, farmers had planted 61 million 8 hundred thousand acres of soybeans, down from last year's 63 million 1 hundred thousand. Soybean carryover stocks are expected to reach a record 515 million bushels in 1985/86, or 27 pct. of use. Demand in 1986/87 is expected to change little from 1985/86. Crush and exports are expected to remain virtually the same.

SOYBEANS -  
1986 PRICES

Soybean prices are expected to be low for 1986/87, perhaps lower than 1985/86, if Sec'y of Agriculture Richard Lyng announces a lower loan rate for the 1986 crop. The current loan rate, \$5.02 a bushel, has been effectively supporting the cash market. Lower futures prices probably reflect anticipation of a lower loan, perhaps as low as \$4.77. If the new lower loan rate materializes and the 1986 crop is near the projected 1 billion 9 hundred million bushels, much of the 1985/86 carryover stocks could ultimately be in government hands. A 12-month loan extension was granted on 1985/86 crops.

PRODUCTION &  
EARNINGS OFF

The costs of producing most crops and livestock declined in 1985. The costs of capital replacement, which is investment in buildings and machinery, also fell for most farmers, according to the U.S. Department of Agriculture. Nevertheless, lower market prices reduced earnings to most crop growers and many livestock and milk producers. (For more information on costs of production, call Bob McElroy or Annette Clauson, 202-786-1801.)



FROM OUR  
TELEVISION  
SERVICE

**CURRENT AGRICULTURAL OUTLOOK...**Lower prices are boosting export sales, according to the latest report on the current agricultural outlook. USDA economist Herb Moses talks about these and other factors relating to the latest agricultural outlook. DeBoria Janifer interviews. (236)

**OIL CROPS OUTLOOK...**Soybean carryover stocks are expected to reach 515 million bushels in the 1985/86 season. USDA economist Roger Hoskin examines the impact this will have on 86/87 supplies and demand. Vic Powell interviews. (237)

**U.S. EXPORTS - HISTORICAL PERSPECTIVE...**USDA economist Clark Edwards focuses on the factors that indicate a change in direction for U.S. exports, including the pitfalls of dependence during recovery of export markets. Vic Powell interviews. (238)

**U.S. EXPORTS - II...**USDA economist Clark Edwards continues his discussion on exports in the U.S. focusing in on alternatives to expanding our exports. Vic Powell interviews. (239)

**U.S. EXPORTS - III...**USDA economist Clark Edwards talks about the export increase we experienced during the 1970's and what factors may contribute to a reasonable growth rate for the upcoming decades. Vic Powell interviews. (240)



FROM OUR RADIO  
SERVICE

**AGRICULTURE USA #1521...**(Weekly 13½ min documentary) One thing economists, secretaries of agriculture and others seem to agree upon is the relationship between the national economy and the health of agriculture. Dave Carter gives us a lesson on agricultural economics.


**AGRITAPE/FARM PROGRAM REPORT #1510...**(Weekly reel of news features) USDA news highlights; Drought continues; 1987 conservation reserve program; California number 1; Crop yields and ozone layer; Drug markets affect U.S. farmers.

**CONSUMER TIME #1003...**(Weekly reel of news features) Too fat; Homegrown bird calling; The refinancing game; Growing ferns; Parents as backboards.

**USDA RADIO NEWS SERVICE...**Tues, July 29, Weekly crop and weather; Thurs, July 31, Agricultural prices; Fri, Aug. 1, Agricultural Resources - machinery & energy; Mon, Aug. 4, Dairy products; Tues, Aug. 5, Weekly crop and weather. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

OFF MIKE

About the time we were cleaning off our desk to leave for the Summer NAFB meeting, things got busy. We laid aside the clean up plans and instead set up a live feed of a press conference to be held July 24 on the drought situation. We learned again how good it is to have a fast reacting team who can put together one of these special events "almost" as if it were second nature to them. We also expect to hold at least one radio telephone press conference and a television satellite press conference on conservation reserve compliance rules and signups. If you're interested in either of these, let us know ... Buddy Sanders (WMC, Memphis, Tenn) called to report July 26 as the date for the grand opening of the Agricenter International. He said WMC will have permanent remote radio studio facilities at the center and farm broadcasters are welcome to stop by and use them for interviews, phone feeds and other broadcasting activities ... Note and newspaper tearsheet arrived from Rich Hawkins (KRVN, Lexington, Neb). The clipping was from the Denver Post, and Rich came by it because his sister lives in Lakewood, Colo. The lead paragraph in the story said, "Some say J. Evan Slack has more pickup-truck drivers for friends than anybody else in the Rocky Mountain West." And the story goes on to explain why, largely because of Evan's 27 years of talking to farm and ranch folks in Colorado. Our thanks to Rich for sending us the clipping ... Fortunato "Lucky" Teho died July 11 of cancer. He was 77 or 78, depending on which newspaper obituary you read. Our thanks to Layne Beaty (USDA Radio-TV Chief, retired) for sending us clippings from two. Lucky retired in 1977 as Univ of Hawaii radio/TV specialist ... We learned also that Bernie Brenner's wife passed away, July 21. Bernie, for years, was the farm radio voice for United Press International.

  
 JAMES L. JOHNSON, Chief  
 Radio and Television Division

Farm Broadcasters Letter  
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